

American dollar-denominated debt because they have their own economic issues, their own need for the use of capital at home. This could have enormous consequences for us going forward in terms of interest rates and what it will take to attract foreign capital to float this economic boat.

One final point. Last year, of the new debt financing for this country, 68 percent of it came from abroad. Madam President, 68 percent of our new debt financing came from abroad. The fact that the Chinese, who have been the most significant contributors to financing that debt, are expressing a reluctance to take on more of our debt, do more of our debt financing, should send a warning signal to all of us as we fashion long-term fiscal and economic policy.

I yield the floor.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. WHITEHOUSE. Madam President, I wish to ask, through the Chair, a question of the distinguished chairman of the Budget Committee with respect to the \$10 trillion debt the country is now carrying.

At the time the current administration that is leaving office came into office 8 years ago, my understanding is the situation in America was rather different. It is my understanding that at that time we were actually looking at surpluses in our country, and the \$10 trillion deficit is largely the responsibility of the policies that have been followed over the past 8 years.

Mr. CONRAD. The Senator is exactly right. The debt of the country at the beginning of the last administration was about \$5 trillion. They have approximately doubled the debt of the country on their watch, dramatically more than doubled foreign holdings of U.S. debt. So the current administration, the outgoing administration, has left the incoming administration in a very deep hole, not to mention the economic difficulties and the extreme need for an economic recovery plan to give lift to this economy.

Mr. WHITEHOUSE. So through the good times, we could have been laying money aside so that when this situation came, we would be in a strong economic condition. Instead, by squandering all those years, we have put the incoming administration in a very challenging position.

Mr. CONRAD. Yes, not only the incoming administration, the whole country because our ability to cope with an economic downturn, the flexibility is substantially limited by what has already been done to dramatically increase the debt, as the Senator described, in good economic times. Unfortunately, that is the reality we now confront.

Today's news by the Congressional Budget Office of not only the \$1.2 trillion deficit this year but massive deficits as far as the eye can see should sober us all.

Mr. WHITEHOUSE. I thank the very distinguished chairman of the Budget

Committee for being willing to engage in this colloquy with me.

Mr. CONRAD. I thank the Senator from Rhode Island and look forward to working with him on the Budget Committee as we attempt to come up with a plan to deal with these multiple challenges.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 4:45 p.m.

Thereupon, the Senate, at 3:34 p.m., recessed until 4:45 p.m. and reassembled when called to order by the Presiding Officer (Ms. KLOBUCHAR).

The PRESIDING OFFICER. The Senator from Oklahoma is recognized.

Mr. INHOFE. Madam President, under the rules, have we been in a quorum call or in recess?

The PRESIDING OFFICER. We have been in a recess.

GLOBAL WARMING

Mr. INHOFE. Madam President, first of all, I appreciate your coming from your meeting to preside. As we begin the new Congress and a new administration, we begin a new chapter on energy and environmental policy, and it is a time that environmental activists, the United Nations, and many of my Democratic colleagues have been salivating for for years. The stars are all aligned. Democrats control both sides of Pennsylvania Avenue, and the Supreme Court has spoken now that carbon dioxide is a pollutant under the Clear Air Act, even though it was a 5-to-4 decision. It is kind of interesting how something can be a pollutant with a 5-to-4 decision.

It is believed the stage has been set for a home run on mandatory Kyoto-like climate controls and the dawn of a new bustling green energy economy. However, before many of my colleagues rush to leap before they look, I wish to remind them of some very unfortunate developments that may complicate their early action on items on their wish lists. I ask my colleagues to at least consider some of the facts I will be revealing over the next series of speeches and to keep an open mind before rushing to sweeping action after waiting for so many years.

The scale and pace of the climate proposals and the regulatory actions we have debated in the past, including the recently failed Lieberman-Warner bill and the ones we will likely be debating this Congress, leave little room for error in this fragile, recession-ridden economy, and the inflated promises of a sweeping green jobs revolution need an honest and frank reality. The proponents of mandatory global warming controls need to be honest with the American people. The purpose of these programs is to ration fossil-based energy by making it more expensive and therefore less appealing for public consumption. It is a regressive tax that

imposes a greater burden relative to resources on the poor than it does on the rich. Let me say that again. The purpose of these programs is to ration the fossil fuel-based energy by making it more expensive to all Americans and therefore less appealing for public consumption. But it is a regressive tax, and we have talked about this before. It is one that punishes those whose resources have to be used for such purposes as being able to operate their vehicles and heat their homes.

Advocates may argue that the redistribution of wealth toward the income consumers will offset the balance of revenue or taxes being taken in, but we learned firsthand during the Lieberman-Warner debate that this simply is not true. I don't like the argument that we have equal distribution of wealth efforts that are going to take a regressive nature out of the punitive values of this type of program. To me, there is something un-American about that. But while the bill's sponsors try to convince us there is actually tax relief in the bill, we learn that families—now I am talking about the Lieberman-Warner bill, and this was only about 8 months ago, the Lieberman-Warner bill—we learn that families with workers will still have to pay \$6.7 trillion into the system in the form of higher energy costs to get back an estimated \$802 billion in tax relief. That is a return of \$1 out of every \$8.40 paid. It is time that proponents of climate policies be honest. It is expensive, and it is going to cost taxpayers a lot of money.

You know, it doesn't really matter which form we use. We have gone through, first of all, the Kyoto Treaty. We came this close to passing the Kyoto Treaty, and it wasn't until the Wharton School of Economics came along with the econometrics survey and they determined it would cost some \$300 billion a year to join onto and actually try to achieve the emission requirements of Kyoto. Then along came the McCain-Lieberman bill and then after that the Warner-Lieberman bill. And cap and trade is going to be about the same amount. They may massage it a little bit, but we are still talking in the neighborhood of \$300 billion a year. That equates to over \$2,000 for each tax-paying family in America. So it is huge.

In the coming weeks, I will go into more detail about other false promises proponents of mandatory global warming policies are advocating. Among them are a reality check on green projects—the number of new green jobs from a climate regime are overstated compared to the number of manufacturing jobs lost, and we know from the National Association of Manufacturers how many jobs would have been lost with any of these schemes in the past; a review of the weaknesses of offset policies—companies have bought offsets which are not real; and a review of the attempts to estimate the cost of inaction. Many advocates are claiming it